

REMARKS

Claims 62, 64, 65, 68-70, 72-77 and 79-95 are pending in this application, with Claims 62, 68, 75, 81, 87 and 92 amended, and Claims 1-61, 63, 66, 67, 71 and 78 cancelled. Applicant respectfully requests reconsideration and review of the application in view of the foregoing amendments, the Declaration of Samir Armaly (submitted herewith), and the following remarks.

A. The pending claims are in condition for allowance

The Examiner rejected Claims 66, 67, 71 and 78 under 35 U.S.C. § 112, first paragraph, for failing to comply with the enablement requirement. While the Applicant respectfully disagrees, these rejections are moot in light of the cancellation of Claims 66, 67, 71 and 78, as discussed below. Therefore, these rejections should be withdrawn.

The Examiner also rejected Claims 62-66, 68-70, 72-76, 79-95 under 35 U.S.C. § 103(a) as being unpatentable over Stanbach, Jr. et al. (U.S. Pat. No. 6,449,657) in view of Andrews (article entitled "Panning for Gold in Technology Stocks"). The Examiner further rejected Claims 67 and 71 under 35 U.S.C. § 103(a) as being unpatentable over Stanbach, Jr. et al. ("Stanbach") in view of Andrews and Camut et al. (U.S. Pat. No. 6,684,257). The Examiner further rejected Claim 77 under 35 U.S.C. § 103(a) as being unpatentable over Stanbach in view of Andrews and Goldhaber (U.S. Pat. No. 5,855,998). The rejections are respectfully traversed.

Applicant has submitted evidence of conception of the present invention prior to the effective filing date of the Stanbach reference and diligence in reducing the present invention to practice, as discussed below. Thus, the Stanbach reference is ***not a prior art reference***, and therefore ***cannot serve as a basis for a prior art rejection***. See discussion above. Because the Stanbach reference is not a prior art reference, and because Andrews and Goldhaber (*i.e.*, secondary references) fail to make up for the deficiencies of Stanbach, the rejections of Claims 62, 64, 65, 68-70, 72-77 and 79-95 should be withdrawn. Further, because Claims 67 and 71 have been cancelled, the

rejections of Claims 67 and 71 are moot, and should also be withdrawn.

B. The finality of the present Office Action is premature, and should therefore be withdrawn

According to M.P.E.P. § 706.07(a), the finality of the present Office Action is premature. This is because the present Office Action includes a new ground of rejection (*i.e.*, diligence in reducing the present invention to practice) that is not based on an amendment or an IDS, but on a declaration that was filed with the PTO **over three years ago**. See M.P.E.P. § 706.07(a) (Stating that a Final Rejection is premature if “the examiner introduces a new ground of rejection that is neither necessitated by applicant’s amendment of the claims, nor based on information submitted in an information disclosure statement.”).

Specifically, on December 27, 2004, Applicant submitted evidence (*i.e.*, the Declaration of Anthony Rothschild, or “Rothschild Decl.”) on issues of conception and diligence in reduction to practice. Therein, Mr. Rothschild provided (in part) that during the critical period (*i.e.*, from August 6, 1999 to January 6, 2000), the law firm of O’Melveny & Myers LLP (“O’Melveny”) was diligently preparing a provisional patent application on the present invention. Rothschild Decl. at ¶12. Specifically, Mr. Rothschild identified several communications between himself and Mr. Armaly (an attorney at O’Melveny) during the months of August, November and December, 1999. While the Examiner took issue with the evidence of conception, the Examiner did not take issue with the evidence of diligence. See July 12, 2006 Office Action at p. 4; see *also* January 8, 2007 Office Action at p. 5. Because the issue of diligence is being raised for the first time in the present Office Action, the finality of the present Office Action is premature. Therefore, pursuant to M.P.E.P. § 706.07(d), the finality of the present Office Action should be withdrawn.

C. In the alternative, the Declaration of Samir Armaly and the foregoing amendments should be entered

At the very least, the Declaration of Samir Armaly (submitted herewith) should be entered into the record so that it can be considered on appeal. 37 C.F.R. § 1.116(e) states that “[a]n affidavit or other evidence submitted after a final rejection ... may be admitted upon a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented.” The Declaration is being presented in response to the Examiner’s present statements concerning diligence, and is therefore “necessary.” Further, the Declaration was not previously presented because (as discussed above) diligence was not previously raised as an issue. Therefore, the Declaration should, at the very least, be entered so that it can be considered by the BPAI on appeal.

Likewise, if the Examiner does not withdraw the finality of the present Office Action, then the Applicant respectfully requests that the foregoing amendments also be entered into the record. First, 37 C.F.R. § 1.116(b)(1) provides that an amendment after final “may be made canceling claims or complying with any requirement of form expressly set forth in a previous Office Action.” In the present Office Action, the Examiner stated that the evidence of conception does not support a personal communication, and that “Applicant should limit each independent claim to an email communication.” Office Action at p. 2. The Examiner also stated that the evidence of conception does not support Claims 66, 67, 71 and 78. *Id.* While the Applicant respectfully disagrees with the Examiner, in an effort to expedite a timely Notice of Allowance, the Applicant has (1) amended each independent claim to provide that the “personal communication” is “an e-mail message” and (2) cancelled Claims 66, 67, 71 and 78. Because the amendments are merely “canceling claims and complying with ... requirement[s] of form expressly set forth in a previous Office Action,” the amendments should be entered. See M.P.E.P. § 714.13 (stating that an amendment after final should be entered if the amendment “merely cancels claims [or] adopts examiner suggestions.”).

Second, 37 C.F.R. § 1.116(b)(3) provides that “[a]n amendment touching the

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merits of the application ... may be admitted upon a showing of good and sufficient reasons why the amendment is necessary and was not earlier presented.” While the Applicant does not agree with statements made by the Examiner in the present Office Action, the foregoing amendments address the statements (e.g., by canceling/amending claims), and are therefore “necessary.” Further, the foregoing amendments were not previously presented because they are responsive to statements that (1) are included in the present Office Action, and (2) were not included in prior Office Actions. For example, in the January 8, 2007 Office Action, the Examiner stated that the conception evidence did not support “chat, IM, SMS, video or voice messages.” See January 8, 2007 Office Action, p. 3. While the Applicant respectfully disagreed, the Applicant amended the claims to remove these limitations. See July 9, 2007 Amendment, Claims 62, 68 and 75, . The Examiner is now stating (in the present Office Action) that the evidence of conception only supports “an e-mail message,” and does not support a “personal communication” (in general). Again, while the Applicant respectfully disagrees, the Applicant has amended the claims to provide that the “personal communication” is “an e-mail message.” Because the amendments are responsive to the present Office Action (*i.e.*, necessary), and would not have been responsive to prior Office Actions (or at least not as responsive as amendments that were made in response to prior Office Actions), the amendments should be entered.

Finally, 37 C.F.R. § 1.116(b)(2) states that “[a]n amendment presenting rejected claims in better form for consideration on appeal may be admitted.” In other words, an amendment after final should be entered if it “removes issues for appeal.” See M.P.E.P. § 714.13. The present amendments do just this by (1) limiting the claims to e-mail communications and (2) canceling claims that stand rejected under 35 U.S.C. § 112, first paragraph, and, according to the Examiner, are not supported by evidence of conception. Therefore, if the Examiner does not withdraw the finality of the present Office Action, the foregoing amendments should be entered.

D. The evidence supports conception of the present invention and diligence in reducing the present invention to practice

With respect to conception, the Examiner stated in the present Office Action that the evidence of conception does not support a “personal communication,” and suggested that the “Applicant should limit each independent claim to an email communication.” Office Action at p. 2. The Examiner also stated that the evidence of conception does not support Claims 66, 67, 71 and 78. *Id.* While the Applicant respectfully disagrees with the Examiner’s statements, in an effort to expedite a timely Notice of Allowance, the Applicant has (1) amended the independent claims (*i.e.*, Claims 62, 68, 75, 81, 87 and 92) to provide that the “personal electronic communication” or “personal communication” comprises “an e-mail message,” and (2) cancelled Claims 66, 67, 71 and 78. Applicant believes that the evidence of conception supports the pending claims.

With respect to diligence, the Examiner stated in the present Office Action that the evidence of diligence is “insufficient to establish diligence from a date prior to the date of reduction of practice of the Stanbach reference (8/6/1999) to either a constructive reduction to practice or an actual reduction to practice.” Office Action at pp 3-5. The Applicant respectfully disagrees. On December 27, 2004, Applicant submitted the Declaration of Anthony Rothschild. Therein, Mr. Rothschild provided (in part) that during the critical period (*i.e.*, from August 6, 1999 to January 6, 2000), O’Melveny was diligently preparing a provisional patent application on the present invention. Rothschild Decl. at ¶12. Specifically, Mr. Rothschild identified several communications between himself and Mr. Armaly (an attorney at O’Melveny) during the months of August, November and December, 1999.

In the present Office Action, the Examiner stated that “paragraphs 12 and 13 of the declaration filed 12/27/04 [*i.e.*, Mr. Rothschild’s Declaration] appears to provide allegations rather than facts.” Office Action at p. 3. The Examiner continued by stating that “Mr. Schmetz asserts that in spring of 1999, a law firm was contacted to draft and file a provisional patent application.” *Id.* First of all, it was Mr. Rothschild (*i.e.*, the inventor), not Mr. Schmetz (*i.e.*, a third party), who made this statement. Second, Mr.

Rothschild is not making "allegations," as the Examiner contends, but declaring "under penalty of perjury under the laws of the United States" that the following is true:

- In the spring of 1999, Mr. Rothschild discussed the present invention with O'Melveny, and instructed O'Melveny to draft a provisional patent application (see ¶6);
- From August to December of 1999, Mr. Rothschild sent/received communications to/from O'Melveny concerning the present invention (see ¶12);
- Examples of these communications include:
 - Documents concerning the present invention that were sent from Mr. Rothschild to Samir Armaly on August 9, 1999 (see ¶12);
 - Documents concerning the present invention that were sent from Mr. Rothschild to Samir Armaly on November 2, 1999 (see ¶12);
 - Documents concerning the present invention that were sent from O'Melveny to Mr. Rothschild in the months of November and December 1999 (see ¶12);
- A provisional patent application on the present invention was filed on January 6, 2000 (see ¶12).

These "facts" show diligence in (constructively) reducing the present invention to practice.

Nevertheless, in the present Office Action, the Examiner stated that the evidence is "insufficient to demonstrate a continued diligence and fail[s] to explain the overwhelming lack of activity during the period (5 months) from 8/6/99 (Stanbach) to 1/6/2000 (applicant's provisional filing)." The Examiner argued that his statement (or finding) is supported by a number of court cases, including the Federal Circuit's decision in *Mulder*. The Examiner, however, incorrectly interprets the Federal Circuit's decision in *Mulder* as holding that a two-day gap in activity is fatal to a showing of diligence in reduction to practice. In *Mulder*, a patent applicant was unable to demonstrate diligence from just before the effective date of a prior art reference even though the effective date

was only two days prior to the applicant's filing date. *In re Mulder*, 716 F. 2d. 1542, 1545 (Fed. Cir. 1983). However, this decision actually turned on the fact that the applicant had produced *no evidence* whatsoever of diligence linking the date of conception to the date of constructive reduction to practice. *Id.* Thus, *Mulder* does not suggest that an applicant must account for every period between the date of conception and that of constructive reduction to practice.

The additional case law cited by the examiner on this point, *Fitzgerald v. Arbib*, 268 F.2d 763 (C.C.P.A. 1959), also fails to establish that a short period of inactivity compels a conclusion that an inventor has not been diligent. While the court in *Fitzgerald* suggested in dictum that a period of inactivity as short as two *months* might be construed as a lack of diligence, it found that the applicant had not been diligent at *any* time during the seven months prior to his filing date. *Id.* at 766. Thus, lack of evidence as to the activity of an inventor during any particular span of time is not dispositive of the lack of diligence. Indeed, "[t]he question as to whether an inventor has exercised reasonable diligence is one which must be determined by the particular circumstances of each individual case . . . ***[I]t is not necessary that an inventor or his attorney should drop all other work and concentrate on the particular invention involved.***" *Rines v. Morgan*, 250 F.2d 365, 369 (C.C.P.A 1957) (emphasis added).

A determination that an applicant has been reasonably diligent in proceeding toward an actual or constructive reduction to practice should be based on an examination of the evidence presented as a whole to evaluate the credibility of the inventor's chronology. See *Brown v. Barbacid*, 436 F.3d 1376, 1380 (Fed. Cir. 2006). In *Brown*, the Federal Circuit reversed a determination of lack of diligence by the BPAI in which the Board had cited time gaps between entries in the inventor's laboratory notebook. The Federal Circuit held that "[t]he basic inquiry is whether, on all of the evidence, there was reasonably continuing activity to reduce the invention to practice." *Id.* The types of activities that qualify as furthering a reduction to practice are broad and varied. ***For example, efforts of an attorney to draft a patent application have been***

considered evidence of diligent reduction to practice. *Bey v. Kollonitsch*, 806 F.2d 1024, 1030 (Fed. Cir. 1986). See also *Scott v. Koyama*, 281 F.3d 1243, 1248 (Fed. Cir. 2002) (efforts to build a manufacturing facility for large-scale production of the invention in question found to be evidence of diligent reduction to practice). All such efforts must be considered as a whole in determining whether there has been reasonably continuing activity to establish due diligence.

The Declaration of Mr. Rothschild, previously submitted on December 27, 2004, establishes that Applicant (including his attorney) exercised due diligence from August 6, 1999, to January 6, 2000. Since an attorney is not required to “drop all other work and concentrate on the particular invention involved,” the inquiry is whether the attorney’s activities, under the circumstances, establish reasonably continuous reduction to practice. *Rines*, 250 F.2d at 369. From August 6, 1999 to January 6, 2000, Applicant retained and worked with patent counsel to prepare, revise, and submit the present application. Notwithstanding the absence of a day-by-day detailed accounting of the attorney’s activities, the Declaration of Mr. Rothschild shows steady and continuous progress during the critical period (*i.e.*, from August 6, 1999 through January 6, 2000) and demonstrates the reasonably continuing activity required to establish due diligence.

While Applicant believes that the previously submitted Declaration of Mr. Rothschild meets the requirements articulated by the Federal Circuit for demonstrating diligence, Applicant submits herewith the Declaration of Samir Armaly, the attorney who prepared the provisional patent application on the present invention, which was filed on January 6, 2000. The Declaration of Mr. Armaly is being submitted herewith for consideration pursuant to 37 C.F.R. §1.131. The Declaration includes a more detailed account of communications between Mr. Rothschild and Mr. Armaly, and Mr. Armaly’s diligence in preparing and filing a provisional patent application on the present invention. For example, the Declaration provides:

- Mr. Rothschild hired O'Melveny prior to August 6, 1999 to file a provisional patent application on the present invention (see Armaly Decl. at ¶2);
- On August 6, 1999, Mr. Armaly had a large backlog of matters from other clients that he had to work on prior to starting work on Mr. Rothschild's provisional patent application (see *id.* at ¶3);
- During the months of August, September and October 1999, Mr. Armaly worked on his backlog of matters, including several litigation-related matters and at least eight patent applications (see *id.* at ¶3);
- Mr. Armaly started working on Mr. Rothschild's provisional patent application on November 5, 1999, and sent a first draft of the provisional patent application to Mr. Rothschild on November 10, 1999 (see *id.* at ¶4);
- Mr. Armaly received comments from Mr. Rothschild concerning the application on November 12, 1999, and revised the application (in accordance with Mr. Rothschild's comments) on November 16 and 23, 1999 (see *id.* at ¶5);
- Mr. Armaly received comments from Mr. Rothschild concerning the revised application on December 2 and 9, 1999, and further revised the application (in accordance with Mr. Rothschild's comments) on January 4, 1999 (see *id.* at ¶5); and
- Mr. Armaly filed the provisional patent application with the PTO on January 6, 2000 (see *id.* at ¶5).

The Declaration shows that Mr. Armaly worked diligently on Mr. Rothschild's patent application during the critical period (*i.e.*, from August 6, 1999 to January 6, 2000). See, e.g., *Bey*, 806 F.2d at 1027 ("Clearly, reasonable diligence can be shown if it is established that the attorney worked reasonably hard on the particular application in question during the continuous critical period."). The Declaration also shows that Mr. Armaly, as of August 6, 1999, was in the process of preparing other patent applications for other clients (*i.e.*, he had a backlog of work), and that Mr. Armaly prepared these applications, including Mr. Rothschild's application, in the order in which they were received (*i.e.*, chronological order). As the Federal Circuit stated in *Rines*, "***if the attorney had a reasonable backlog of work which he takes up in chronological***

order and carries out expeditiously, that is sufficient. Rines, 250 F.2d at 369 (emphasis added).

Therefore, the evidence of record shows that Mr. Rothschild conceived of the present invention prior to August 6, 1999, and worked (together with his attorneys) diligently in (constructively) reducing the present invention to practice.

E. Conclusion

Accordingly, Applicant respectfully submits that Claims 62, 64, 65, 68-70, 72-77 and 79-95 are in condition for allowance. Reconsideration and withdrawal of the rejections is respectfully requested, and a timely Notice of Allowability is solicited. If it would be helpful to placing this application in condition for allowance, Applicant encourages the Examiner to contact the undersigned counsel and conduct a telephonic interview.

While the Applicant believes that no fees are due in connection with the filing of this paper, the Commissioner is authorized to charge any shortage in the fees, including extension of time fees, to Deposit Account No. 50-0639.

Respectfully submitted,



Brian M. Berliner
Attorney for Applicant
Registration No. 34,549

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O'MELVENY & MYERS LLP
400 South Hope Street
Los Angeles, CA 90071-2899
Telephone: (213) 430-6000

Enclosure: Declaration of Samir Armaly